

Senate File 304 - Introduced

SENATE FILE _____
BY COMMITTEE ON ECONOMIC GROWTH
(SUCCESSOR TO SF 110)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to withholding agreements and local match
2 requirements of the targeted jobs withholding tax credit
3 program.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1481SV 83
6 tw/sc/8

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1 1 Section 1. Section 403.19A, subsection 3, paragraph c,
1 2 Code 2009, is amended to read as follows:
1 3 c. (1) The pilot project city shall enter into a
1 4 withholding agreement with each employer concerning the
1 5 targeted jobs withholding credit. The withholding agreement
1 6 shall provide for the total amount of withholding tax credits
1 7 awarded. An agreement shall not provide for an amount of
1 8 withholding credits that exceeds the amount of the qualifying
1 9 investment made in the project. However, an An agreement
1 10 shall not be entered into by a pilot project city with a
1 11 business currently located in this state unless the business
1 12 either creates ten new jobs or makes a qualifying investment
1 13 of at least five hundred thousand dollars within the urban
1 14 renewal area. The withholding agreement may have a term of up
1 15 to ten years. An employer shall not be obligated to enter
1 16 into a withholding agreement.
1 17 (2) The pilot project city shall not enter into a
1 18 withholding agreement after June 30, ~~2010~~ 2013.
1 19 Sec. 2. Section 403.19A, subsection 3, paragraph j, Code
1 20 2009, is amended by striking the paragraph and inserting in
1 21 lieu thereof the following:
1 22 j. (1) A pilot project city entering into a withholding
1 23 agreement shall arrange for matching local financial support
1 24 for the project. The local match required under this
1 25 paragraph "j" shall be in an amount equal to one dollar for
1 26 every dollar of withholding credit received by the pilot
1 27 project city.
1 28 (2) For purposes of this paragraph "j", "local financial
1 29 support" means cash or in-kind contributions to the project
1 30 from a private donor, a business, or the pilot project city.
1 31 (3) If the project, when completed, will increase the
1 32 amount of property tax revenues collected by the pilot project
1 33 city by an amount equal to at least ten percent of the amount
1 34 of withholding credit dollars received by the pilot project
1 35 city, then the pilot project city shall itself contribute at
2 1 least ten percent of the local match amount computed under
2 2 subparagraph (1).
2 3 (4) If the project, when completed, will not increase the
2 4 amount of property tax revenues collected by an amount at
2 5 least equal to ten percent of the amount of withholding credit
2 6 dollars received by the pilot project city, then the pilot
2 7 project city shall not be required to make a contribution to
2 8 the local match.
2 9 (5) A pilot project city's contribution, if any, to the
2 10 local match may include the dollar value of any tax abatement
2 11 provided by the city to the business for new construction.
2 12 EXPLANATION
2 13 This bill relates to the targeted jobs withholding tax
2 14 credit program.
2 15 The bill provides that a withholding agreement shall

2 16 include the total amount of withholding tax credits awarded
2 17 and that the amount of credits shall not exceed the amount of
2 18 the qualifying investment made in the project.

2 19 Current law provides that a pilot project city shall not
2 20 enter into agreements after June 30, 2010. The bill changes
2 21 this date to June 30, 2013.

2 22 The bill amends and clarifies the local match requirements
2 23 of the program. The bill provides that if the completed
2 24 project will increase the amount of property tax revenues
2 25 collected by the pilot project city by 10 percent or more of
2 26 the amount of withholding credit dollars received, then the
2 27 pilot project city must contribute at least 10 percent of the
2 28 local match requirement. However, if the completed project
2 29 will not increase the amount of property tax revenues
2 30 collected by an amount at least equal to 10 percent of the
2 31 amount of withholding credit dollars received by the city,
2 32 then the city is not required to make a contribution to the
2 33 local match.

2 34 The bill specifies that a pilot project city's
2 35 contribution, if any, to the local match may include the
3 1 dollar value of any tax abatement provided by the city to the
3 2 business for new construction.

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